

CAFR

**PROPRIETARY
FUNDS**

**NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2006**

King County has established Enterprise Funds to account for organizations which are intended to be self-supporting through fees charged for services provided to the public. The County has six nonmajor enterprises that use the accrual basis of accounting. A typical enterprise consists of an operating fund and construction subfund and may also include debt service or other reserve subfunds.

Institutional Network (I-Net) Enterprise Fund – Accounts for the development and operations of a fiberoptic network which connects approximately 300 public facilities across King County. I-Net provides broadband internet connectivity, including data, voice and video communications to schools in unincorporated King County, public safety agencies, courts, public health facilities, and other public service agencies.

King County International Airport (KCIA) Enterprise Fund – Accounts for the operations, maintenance, capital improvements, and expansion of the King County International Airport/Boeing Field. With its two runways (3,710 feet and 10,000 feet in length) and four fixed-base operators, KCIA provides all the facilities and services necessary to support jet and propeller-driven aircraft and helicopters. KCIA is an FAA-designated General Aviation Reliever for Sea-Tac Airport and averages over 375,000 general aviation operations per year.

Radio Communications Services Enterprise Fund – Accounts for the operations, maintenance, capital improvements, and expansion of the 800 MHz trunked radio system that provides communications for virtually all public safety agencies of the County, as well as many other local government agencies. Costs are recovered primarily through user fees, including charges for maintenance and future equipment replacement.

Sewer Utility Enterprise Fund – Originally established to collect assessments and pay principal and interest on sewer revenue bonds issued in the King County Utility Local Improvement District and the King County Sewer and Drainage District 4. This fund was closed in 2006.

Solid Waste Enterprise Fund – Accounts for the operations, maintenance, capital improvements, and expansion of the County's solid waste disposal facilities under the Solid Waste Division of the Department of Natural Resources and Parks. The County operates eight solid waste transfer stations, two drop box stations, two household hazardous waste facilities, one regional landfill, and recycling services for residential customers. Operating revenues result primarily from tipping fees at the active solid waste disposal sites, while bond proceeds fund most new construction. Significant reserves are set aside to replace landfills, to provide for post-closure care and remediation costs, and to replace capital equipment.

Stadium Enterprise Fund – Originally established to account for the operations, maintenance, and capital improvements to the King County Stadium (the Kingdome). Although the implosion and subsequent demolition of the Kingdome took place in 2000, the enterprise fund remains open pending final disposition of the fund's remaining assets.

KING COUNTY, WASHINGTON

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2006
(IN THOUSANDS)

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNI- CATIONS SERVICES	SEWER UTILITY	SOLID WASTE	STADIUM
ASSETS							
Current assets							
Cash and cash equivalents	\$ 67,341	\$ 1,570	\$ 9,331	\$ 4,865	\$ -	\$ 51,475	\$ 100
Restricted cash and cash equivalents	1,833	-	1,833	-	-	-	-
Accounts receivable	6,578	279	492	106	-	5,701	-
Estimated uncollectible accounts receivable	(54)	-	(10)	-	-	(44)	-
Due from other funds	1,084	12	129	72	-	871	-
Due from other governments	840	79	35	-	-	726	-
Inventory of supplies	1,122	-	131	133	-	858	-
Prepayments	2	-	2	-	-	-	-
Total current assets	<u>78,746</u>	<u>1,940</u>	<u>11,943</u>	<u>5,176</u>	<u>-</u>	<u>59,587</u>	<u>100</u>
Noncurrent assets							
Restricted assets							
Cash and cash equivalents	86,706	-	11,658	2,631	-	72,417	-
Accounts receivable	25	-	-	25	-	-	-
Due from other funds	2	-	-	2	-	-	-
Due from other governments	110	-	110	-	-	-	-
Total restricted assets	<u>86,843</u>	<u>-</u>	<u>11,768</u>	<u>2,658</u>	<u>-</u>	<u>72,417</u>	<u>-</u>
Capital assets							
Land	35,358	-	14,960	-	-	18,975	1,423
Buildings	58,339	-	32,887	-	-	24,719	733
Improvements other than buildings	160,700	13,354	26,676	4,650	-	116,020	-
Furniture, machinery and equipment	76,162	6,726	3,983	18,561	-	46,892	-
Accumulated depreciation	(173,423)	(9,370)	(31,605)	(15,440)	-	(116,275)	(733)
Work in progress	52,327	-	33,563	-	-	18,764	-
Total capital assets	<u>209,463</u>	<u>10,710</u>	<u>80,464</u>	<u>7,771</u>	<u>-</u>	<u>109,095</u>	<u>1,423</u>
Total noncurrent assets	<u>296,306</u>	<u>10,710</u>	<u>92,232</u>	<u>10,429</u>	<u>-</u>	<u>181,512</u>	<u>1,423</u>
TOTAL ASSETS	<u>375,052</u>	<u>12,650</u>	<u>104,175</u>	<u>15,605</u>	<u>-</u>	<u>241,099</u>	<u>1,523</u>
LIABILITIES							
Current liabilities							
Accounts payable	8,705	223	1,953	155	-	6,374	-
Due to other funds	3,826	172	2,384	69	-	1,201	-
Interest payable	101	6	28	-	-	67	-
Wages payable	1,470	25	133	43	-	1,269	-
Compensated absences payable	58	2	13	3	-	40	-
Taxes payable	177	-	152	15	-	10	-
Unearned revenue	2,103	183	1,919	-	-	1	-
Customer deposits	412	-	375	37	-	-	-
Obligation under reverse repurchase agreements	5,831	-	880	-	-	4,951	-
General obligation bonds payable	6,497	540	325	-	-	5,632	-
Total current liabilities	<u>29,180</u>	<u>1,151</u>	<u>8,162</u>	<u>322</u>	<u>-</u>	<u>19,545</u>	<u>-</u>
Long-term liabilities							
Compensated absences payable	3,858	72	391	84	-	3,311	-
General obligation bonds payable	20,846	4,665	6,820	-	-	9,361	-
Deferred bond discount/refunding losses	(552)	-	-	-	-	(552)	-
Environmental remediation	2,195	-	2,195	-	-	-	-
Landfill closure and closure care liability	92,879	-	-	-	-	92,879	-
Total long-term liabilities	<u>119,226</u>	<u>4,737</u>	<u>9,406</u>	<u>84</u>	<u>-</u>	<u>104,999</u>	<u>-</u>
TOTAL LIABILITIES	<u>148,406</u>	<u>5,888</u>	<u>17,568</u>	<u>406</u>	<u>-</u>	<u>124,544</u>	<u>-</u>
NET ASSETS							
Invested in capital assets, net of related debt	182,672	5,505	73,319	7,771	-	94,654	1,423
Restricted for capital projects	12,231	-	9,573	2,658	-	-	-
Unrestricted	31,743	1,257	3,715	4,770	-	21,901	100
TOTAL NET ASSETS	<u>\$ 226,646</u>	<u>\$ 6,762</u>	<u>\$ 86,607</u>	<u>\$ 15,199</u>	<u>\$ -</u>	<u>\$ 116,555</u>	<u>\$ 1,523</u>

KING COUNTY, WASHINGTON

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN THOUSANDS)

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNI- CATIONS SERVICES	SEWER UTILITY	SOLID WASTE	STADIUM
OPERATING REVENUES							
I-Net fees	\$ 3,163	\$ 3,163	\$ -	\$ -	\$ -	\$ -	\$ -
Radio services	3,517	-	-	3,517	-	-	-
Solid waste disposal charges	88,845	-	-	-	-	88,845	-
Airfield fees	2,214	-	2,214	-	-	-	-
Hangar, building, and site rentals and leases	9,010	-	9,010	-	-	-	-
Reimbursement for services to tenants	1,233	-	1,233	-	-	-	-
Miscellaneous	14	-	14	-	-	-	-
Total operating revenues	<u>107,996</u>	<u>3,163</u>	<u>12,471</u>	<u>3,517</u>	<u>-</u>	<u>88,845</u>	<u>-</u>
OPERATING EXPENSES							
Personal services	39,925	531	3,946	1,183	-	34,265	-
Materials and supplies	8,242	28	398	245	-	7,571	-
Contract services and other charges	27,100	757	1,296	642	-	24,405	-
Utilities	3,094	8	1,157	79	-	1,850	-
Internal services	12,779	281	4,444	430	-	7,624	-
Landfill closure and post-closure care	7,882	-	-	-	-	7,882	-
Depreciation	17,268	366	1,709	1,557	-	13,636	-
Total operating expenses	<u>116,290</u>	<u>1,971</u>	<u>12,950</u>	<u>4,136</u>	<u>-</u>	<u>97,233</u>	<u>-</u>
OPERATING INCOME (LOSS)	<u>(8,294)</u>	<u>1,192</u>	<u>(479)</u>	<u>(619)</u>	<u>-</u>	<u>(8,388)</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)							
Interest earnings	7,204	51	969	297	5	5,878	4
Interest expense	(1,523)	(308)	(351)	-	-	(864)	-
Rental income	407	-	-	-	-	407	-
DNR administration revenue	3,039	-	-	-	-	3,039	-
DNR administration expense	(3,535)	-	-	-	-	(3,535)	-
Gain (loss) on disposal of capital assets	1,429	-	10	(289)	-	1,708	-
Remediation expense	(2,195)	-	(2,195)	-	-	-	-
Miscellaneous revenue	322	-	-	-	-	317	5
Miscellaneous expense	(1,247)	-	-	-	-	(1,247)	-
Total nonoperating revenues (expenses)	<u>3,901</u>	<u>(257)</u>	<u>(1,567)</u>	<u>8</u>	<u>5</u>	<u>5,703</u>	<u>9</u>
Income (loss) before contributions and transfers	<u>(4,393)</u>	<u>935</u>	<u>(2,046)</u>	<u>(611)</u>	<u>5</u>	<u>(2,685)</u>	<u>9</u>
Capital grants and contributions	25,878	3,534	21,248	108	-	988	-
Transfers in	3,111	292	-	19	-	2,800	-
Transfers out	<u>(3,322)</u>	<u>(3)</u>	<u>(6)</u>	<u>(17)</u>	<u>(213)</u>	<u>(3,083)</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>21,274</u>	<u>4,758</u>	<u>19,196</u>	<u>(501)</u>	<u>(208)</u>	<u>(1,980)</u>	<u>9</u>
NET ASSETS - JANUARY 1, 2006	<u>205,372</u>	<u>2,004</u>	<u>67,411</u>	<u>15,700</u>	<u>208</u>	<u>118,535</u>	<u>1,514</u>
NET ASSETS - DECEMBER 31, 2006	<u>\$ 226,646</u>	<u>\$ 6,762</u>	<u>\$ 86,607</u>	<u>\$ 15,199</u>	<u>\$ -</u>	<u>\$ 116,555</u>	<u>\$ 1,523</u>

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN THOUSANDS)
(PAGE 1 OF 2)

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNI- CATIONS SERVICES	SEWER UTILITY	SOLID WASTE	STADIUM
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers	\$ 109,288	\$ 2,841	\$ 14,289	\$ 3,751	\$ -	\$ 88,407	\$ -
Cash payments to suppliers for goods and services	(48,467)	(1,000)	(7,945)	(1,332)	-	(38,190)	-
Cash payments for employee services	(39,546)	(496)	(3,876)	(1,150)	-	(34,024)	-
Other receipts	3,771	-	-	-	-	3,766	5
Other payments	(3,535)	-	-	-	-	(3,535)	-
Net cash provided by operating activities	21,511	1,345	2,468	1,269	-	16,424	5
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Operating grants and contributions	(1,184)	-	-	-	-	(1,184)	-
Transfers in	3,111	292	-	19	-	2,800	-
Transfers out	(3,322)	(3)	(6)	(17)	(213)	(3,083)	-
Net cash provided (used) by noncapital financing activities	(1,395)	289	(6)	2	(213)	(1,467)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of capital assets	(35,835)	(208)	(23,502)	(88)	-	(12,037)	-
Principal paid on general obligation bonds	(6,039)	(430)	(315)	-	-	(5,294)	-
Interest paid on general obligation bonds	(1,662)	(302)	(352)	-	-	(1,008)	-
Capital grants received	22,160	-	21,237	-	-	923	-
Proceeds from disposal of capital assets	11	-	11	-	-	-	-
Landfill closure and post-closure care	(7,374)	-	-	-	-	(7,374)	-
Net cash used by capital and related financing activities	(28,739)	(940)	(2,921)	(88)	-	(24,790)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Decrease in allocation of pooled reverse repurchase agreements	(11,362)	-	(1,643)	-	-	(9,719)	-
Interest on investments (including unrealized gains and losses reported as cash and cash equivalents)	7,203	51	969	297	4	5,878	4
Net cash provided (used) by investing activities	(4,159)	51	(674)	297	4	(3,841)	4
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,782)	745	(1,133)	1,480	(209)	(13,674)	9
CASH AND CASH EQUIVALENTS - JANUARY 1, 2006	168,662	825	23,955	6,016	209	137,566	91
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2006	<u>\$ 155,880</u>	<u>\$ 1,570</u>	<u>\$ 22,822</u>	<u>\$ 7,496</u>	<u>\$ -</u>	<u>\$ 123,892</u>	<u>\$ 100</u>

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN THOUSANDS)
(PAGE 2 OF 2)

	TOTAL	I-NET	KING COUNTY INTERNATIONAL AIRPORT	RADIO COMMUNI- CATIONS SERVICES	SEWER UTILITY	SOLID WASTE	STADIUM
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating income (loss)	\$ (8,294)	\$ 1,192	\$ (479)	\$ (619)	\$ -	\$ (8,388)	\$ -
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Depreciation	17,268	366	1,709	1,557	-	13,636	-
Landfill closure and post-closure care	7,882	-	-	-	-	7,882	-
Other nonoperating revenue/expense	236	-	-	-	-	231	5
Changes in assets - (increase) decrease							
Accounts receivable, net	(801)	(279)	(209)	41	-	(354)	-
Notes and contracts receivable	6	-	-	6	-	-	-
Due from other funds	3,135	43	1,885	176	-	1,031	-
Due from other governments	(237)	(59)	98	-	-	(276)	-
Inventory of supplies	(119)	-	(15)	(54)	-	(50)	-
Prepayments	(2)	-	(2)	-	-	-	-
Changes in liabilities - increase (decrease)							
Accounts payable	4,576	(78)	1,264	80	-	3,310	-
Due to other funds	(2,546)	150	(1,896)	38	-	(838)	-
Wages payable	134	6	15	11	-	102	-
Taxes payable	3	-	20	(17)	-	-	-
Unearned revenues	(34)	(25)	(9)	-	-	-	-
Compensated absences	242	29	54	21	-	138	-
Customer deposits	62	-	33	29	-	-	-
Total Adjustments	29,805	153	2,947	1,888	-	24,812	5
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 21,511	\$ 1,345	\$ 2,468	\$ 1,269	\$ -	\$ 16,424	\$ 5
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:							
Contributions of capital assets from government	\$ 9,277	\$ 9,169	\$ -	\$ 108	\$ -	\$ -	\$ -



**INTERNAL SERVICE FUNDS
DECEMBER 31, 2006**

Construction and Facilities Management Fund – Accounts for custodial services, building maintenance, and CIP project management. The fund earns revenue by charging tenants of County buildings for facilities maintenance, renovation, and architectural services.

DES Equipment Replacement Fund – Accounts for the purchase and replacement of personal computers for the agencies in King County Department of Executive Services.

Employee Benefits Program Fund – Accounts for the activities of employee medical, dental, life insurance, and long-term disability benefit programs and will account for future modifications to existing benefits or additions of new employee benefits.

Financial Management Services Fund – Accounts for financial services, including accounting, treasury, contracts, and procurement services provided to King County and other contracting agencies.

Office of Information Resource Management Operating Fund – Accounts for the activities relating to the operations of the Office of Information Resource Management, including countywide information technology strategic planning and project management oversight.

Information and Telecommunications Services Fund – Consists of two subfunds that account for data processing and telecommunications services provided to King County and other contracting agencies. The Data Processing Services subfund is responsible for the wide area data network, applications development and support, data center operations, database and server maintenance, server hosting, internet access, web infrastructure, help desk operations, and equipment replacement services. The Telecommunications Services subfund is responsible for managing desktop and wireless telephony services. This includes billing, inventory, maintenance and replacement of telephone systems, managing calling card and long distance services, and providing consulting services on a time-available basis to County telephone users.

Insurance Fund – Accounts for the activities of the Office of Risk Management, which include performing risk analysis, evaluating alternatives and purchasing insurance, adjusting claims, and recommending policies and practices to reduce potential liabilities and ensure the adequacy of insurance coverage for King County departments.

King County Geographic Information Systems Fund – Accounts for the activities required to operate, maintain, and enhance the automated geographic information systems that serve both King County agencies and external customers.

Motor Pool Equipment Rental Fund – Accounts for the purchase and maintenance of a fleet of vehicles for use by County agencies.

Printing/Graphic Arts Services Fund – Accounts for printing, graphic arts, and duplicating services.

Public Works Equipment Rental Fund – Accounts for the purchase and maintenance of equipment and materials primarily used by the Road Services Division for maintenance and repair.

Safety and Workers' Compensation Fund – Accounts for the administration of an employee safety and training program designed to provide a safe and healthful workplace, as required by the Washington Industrial Safety and Health Act of 1973, and accounts for King County's self-insured worker compensation system as certified under Title 51 Revised Code of Washington (RCW), Industrial Insurance Act.

Wastewater Equipment Rental Fund – Accounts for the purchase and maintenance of a fleet of equipment and vehicles for use by the Wastewater Treatment Division and Water and Land Resources.

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2006
(IN THOUSANDS)
(PAGE 1 OF 3)

	TOTAL	CONSTRUCTION & FACILITIES MANAGEMENT	DES EQUIPMENT REPLACEMENT	EMPLOYEE BENEFITS PROGRAM
ASSETS				
Current assets				
Cash and cash equivalents	\$ 168,192	\$ 3,388	\$ 612	\$ 24,039
Accounts receivable	490	410	-	-
Estimated uncollectible				
accounts receivable	(12)	-	-	-
Due from other funds	7,399	637	313	-
Due from other governments, net	326	-	-	-
Inventory of supplies	1,284	215	-	-
Prepayments	9,074	-	-	-
Total current assets	<u>186,753</u>	<u>4,650</u>	<u>925</u>	<u>24,039</u>
Capital assets				
Improvements other than buildings	3,174	525	-	-
Accumulated depreciation	(1,018)	(302)	-	-
Furniture, machinery and equipment	94,404	2,583	1,863	81
Accumulated depreciation	(63,366)	(1,213)	(1,090)	(35)
Work in progress	2,843	-	-	2,843
Total capital assets	<u>36,037</u>	<u>1,593</u>	<u>773</u>	<u>2,889</u>
TOTAL ASSETS	<u>222,790</u>	<u>6,243</u>	<u>1,698</u>	<u>26,928</u>
LIABILITIES				
Current liabilities				
Accounts payable	13,156	953	68	1,662
Estimated claim settlements	76,785	-	-	13,893
Due to other funds	3,567	591	-	37
Interest payable	9	8	-	-
Interfund short-term loans payable	988	-	-	-
Wages payable	2,643	797	-	127
Compensated absences payable	505	126	-	11
Taxes payable	18	7	-	-
Unearned revenues	650	-	-	413
Obligations under reverse				
repurchase agreements	5,537	-	-	1,028
General obligation bonds payable	315	160	-	-
Assessments payable	15	15	-	-
Custodial accounts	120	-	-	120
Total current liabilities	<u>104,308</u>	<u>2,657</u>	<u>68</u>	<u>17,291</u>
Long-term liabilities				
General obligation bonds payable	590	590	-	-
Compensated absences payable	9,457	2,368	-	200
Assessments payable	59	59	-	-
Estimated claim settlements	39,964	-	-	-
Total long-term liabilities	<u>50,070</u>	<u>3,017</u>	<u>-</u>	<u>200</u>
TOTAL LIABILITIES	<u>154,378</u>	<u>5,674</u>	<u>68</u>	<u>17,491</u>
NET ASSETS				
Invested in capital assets,				
net of related debt	35,287	843	773	2,889
Unrestricted	33,125	(274)	857	6,548
TOTAL NET ASSETS	<u>\$ 68,412</u>	<u>\$ 569</u>	<u>\$ 1,630</u>	<u>\$ 9,437</u>

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2006
(IN THOUSANDS)
(PAGE 2 OF 3)

FINANCIAL MANAGEMENT SERVICES	OFFICE OF INFORMATION RESOURCE MANAGEMENT OPERATING	INFORMATION & TELECOM- MUNICATIONS SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL
\$ 4,794	\$ 1,349	\$ 7,782	\$ 83,578	\$ 482	\$ 3,408
-	-	70	-	1	-
-	-	(12)	-	-	-
781	160	909	-	66	1,886
297	-	22	-	-	-
-	-	-	-	-	79
-	-	-	9,074	-	-
<u>5,872</u>	<u>1,509</u>	<u>8,771</u>	<u>92,652</u>	<u>549</u>	<u>5,373</u>
616	-	-	-	-	2,023
(551)	-	-	-	-	(155)
3,704	72	15,770	44	611	30,520
(2,736)	(57)	(13,269)	(42)	(515)	(19,457)
-	-	-	-	-	-
<u>1,033</u>	<u>15</u>	<u>2,501</u>	<u>2</u>	<u>96</u>	<u>12,931</u>
<u>6,905</u>	<u>1,524</u>	<u>11,272</u>	<u>92,654</u>	<u>645</u>	<u>18,304</u>
414	65	2,897	4,720	18	425
-	-	-	45,707	-	-
30	-	58	14	45	133
-	-	1	-	-	-
-	-	-	-	-	-
610	55	559	68	97	52
138	15	115	11	14	9
-	-	9	-	1	-
237	-	-	-	-	-
-	-	-	3,524	-	-
-	-	155	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,429</u>	<u>135</u>	<u>3,794</u>	<u>54,044</u>	<u>175</u>	<u>619</u>
-	-	-	-	-	-
2,594	282	2,140	206	269	161
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,594</u>	<u>282</u>	<u>2,140</u>	<u>206</u>	<u>269</u>	<u>161</u>
<u>4,023</u>	<u>417</u>	<u>5,934</u>	<u>54,250</u>	<u>444</u>	<u>780</u>
1,033	15	2,501	2	96	12,931
<u>1,849</u>	<u>1,092</u>	<u>2,837</u>	<u>38,402</u>	<u>105</u>	<u>4,593</u>
<u>\$ 2,882</u>	<u>\$ 1,107</u>	<u>\$ 5,338</u>	<u>\$ 38,404</u>	<u>\$ 201</u>	<u>\$ 17,524</u>

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2006
(IN THOUSANDS)
(PAGE 3 OF 3)

	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	WASTEWATER EQUIPMENT RENTAL
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 10,719	\$ 23,806	\$ 4,235
Accounts receivable	-	-	9	-
Estimated uncollectible accounts receivable	-	-	-	-
Due from other funds	44	401	1,558	644
Due from other governments, net	7	-	-	-
Inventory of supplies	-	984	-	6
Prepayments	-	-	-	-
Total current assets	51	12,104	25,373	4,885
Capital assets				
Improvements other than buildings	-	10	-	-
Accumulated depreciation	-	(10)	-	-
Furniture, machinery and equipment	608	26,090	177	12,281
Accumulated depreciation	(394)	(15,599)	(148)	(8,811)
Work in progress	-	-	-	-
Total capital assets	214	10,491	29	3,470
TOTAL ASSETS	265	22,595	25,402	8,355
LIABILITIES				
Current liabilities				
Accounts payable	278	449	1,179	28
Estimated claim settlements	-	-	17,185	-
Due to other funds	73	2,487	53	46
Interest payable	-	-	-	-
Interfund short-term loans payable	988	-	-	-
Wages payable	40	161	77	-
Compensated absences payable	13	41	12	-
Taxes payable	1	-	-	-
Unearned revenues	-	-	-	-
Obligations under reverse repurchase agreements	-	-	985	-
General obligation bonds payable	-	-	-	-
Assessments payable	-	-	-	-
Custodial accounts	-	-	-	-
Total current liabilities	1,393	3,138	19,491	74
Long-term liabilities				
General obligation bonds payable	-	-	-	-
Compensated absences payable	250	759	228	-
Assessments payable	-	-	-	-
Estimated claim settlements	-	-	39,964	-
Total long-term liabilities	250	759	40,192	-
TOTAL LIABILITIES	1,643	3,897	59,683	74
NET ASSETS				
Invested in capital assets, net of related debt	214	10,491	29	3,470
Unrestricted	(1,592)	8,207	(34,310)	4,811
TOTAL NET ASSETS	\$ (1,378)	\$ 18,698	\$ (34,281)	\$ 8,281

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN THOUSANDS)
(PAGE 1 OF 3)

	TOTAL	CONSTRUCTION & FACILITIES MANAGEMENT	DES EQUIPMENT REPLACEMENT	EMPLOYEE BENEFITS PROGRAM
OPERATING REVENUES				
Profit on inventory sales				
Sales of inventory	\$ 7,755	\$ -	\$ -	\$ -
Cost of goods sold	<u>(6,826)</u>	-	-	-
Gross profit on inventory	929	-	-	-
Data processing services - intracounty	25,085	-	-	-
Data processing services - other	345	-	-	-
Telecommunication services	1,970	-	-	-
Information resources management fees	1,773	-	-	-
Geographic information systems fees	3,689	-	-	-
Building operation and maintenance service fees	29,229	29,229	-	-
Architect/engineering/renovation service fees	7,460	7,460	-	-
Benefit program employer contributions	156,921	-	-	156,921
Benefit program employee fees	6,312	-	-	6,312
Financial services	27,610	-	-	-
Insurance services	22,736	-	-	-
Equipment rental fees	16,037	-	-	-
Fixed asset data management services	152	-	-	-
Garage shop services	305	-	-	-
Printing and duplication	3,511	-	-	-
Workers' compensation employer contributions	37,023	-	-	-
Miscellaneous	<u>1,046</u>	<u>18</u>	<u>102</u>	<u>2</u>
Total operating revenues	<u>342,133</u>	<u>36,707</u>	<u>102</u>	<u>163,235</u>
OPERATING EXPENSES				
Personal services	71,284	22,457	11	1,713
Materials and supplies	10,879	2,101	-	23
Contract services and other charges	218,804	8,356	3	165,048
Lease and maintenance of equipment	5,524	219	-	11
Internal services	19,121	3,119	76	259
Depreciation	<u>8,682</u>	<u>230</u>	<u>408</u>	<u>10</u>
Total operating expenses	<u>334,294</u>	<u>36,482</u>	<u>498</u>	<u>167,064</u>
OPERATING INCOME (LOSS)	<u>7,839</u>	<u>225</u>	<u>(396)</u>	<u>(3,829)</u>
NONOPERATING REVENUES				
Interest	<u>7,327</u>	<u>269</u>	<u>32</u>	<u>1,124</u>
Total nonoperating revenues	<u>7,327</u>	<u>269</u>	<u>32</u>	<u>1,124</u>
NONOPERATING EXPENSES				
Interest	58	43	-	-
(Gain) loss on disposal of capital assets	<u>(520)</u>	<u>(47)</u>	<u>20</u>	<u>1</u>
Total nonoperating expenses	<u>(462)</u>	<u>(4)</u>	<u>20</u>	<u>1</u>
Income (loss) before contributions and transfers	15,628	498	(384)	(2,706)
Capital contributions	1,296	93	525	-
Transfers in	1,984	398	450	-
Transfers out	<u>(4,468)</u>	<u>(164)</u>	<u>-</u>	<u>(22)</u>
CHANGE IN NET ASSETS	14,440	825	591	(2,728)
NET ASSETS - JANUARY 1, 2006 (RESTATED)	<u>53,972</u>	<u>(256)</u>	<u>1,039</u>	<u>12,165</u>
NET ASSETS - DECEMBER 31, 2006	<u>\$ 68,412</u>	<u>\$ 569</u>	<u>\$ 1,630</u>	<u>\$ 9,437</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN THOUSANDS)
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	FINANCIAL MANAGEMENT SERVICES	OFFICE OF INFORMATION RESOURCE MANAGEMENT OPERATING	INFORMATION & TELECOM- MUNICATIONS SERVICES	INSURANCE
OPERATING REVENUES				
Profit on inventory sales				
Sales of inventory	\$ -	\$ -	\$ -	\$ -
Cost of goods sold	-	-	-	-
Gross profit on inventory	-	-	-	-
Data processing services - intracounty	-	-	25,085	-
Data processing services - other	-	-	345	-
Telecommunication services	-	-	1,970	-
Information resources management fees	-	1,773	-	-
Geographic information systems fees	-	-	-	-
Building operation and maintenance service fees	-	-	-	-
Architect/engineering/renovation service fees	-	-	-	-
Benefit program employer contributions	-	-	-	-
Benefit program employee fees	-	-	-	-
Financial services	27,610	-	-	-
Insurance services	-	-	-	22,736
Equipment rental fees	-	-	-	-
Fixed asset data management services	-	-	-	-
Garage shop services	-	-	-	-
Printing and duplication	-	-	-	-
Workers' compensation employer contributions	-	-	-	-
Miscellaneous	92	-	140	504
Total operating revenues	<u>27,702</u>	<u>1,773</u>	<u>27,540</u>	<u>23,240</u>
OPERATING EXPENSES				
Personal services	18,033	1,170	15,509	1,811
Materials and supplies	237	26	1,302	13
Contract services and other charges	1,801	146	2,487	15,880
Lease and maintenance of equipment	1,085	14	2,557	49
Internal services	6,609	276	2,594	1,108
Depreciation	454	12	1,268	1
Total operating expenses	<u>28,219</u>	<u>1,644</u>	<u>25,717</u>	<u>18,862</u>
OPERATING INCOME (LOSS)	<u>(517)</u>	<u>129</u>	<u>1,823</u>	<u>4,378</u>
NONOPERATING REVENUES				
Interest	508	63	-	3,846
Total nonoperating revenues	<u>508</u>	<u>63</u>	<u>-</u>	<u>3,846</u>
NONOPERATING EXPENSES				
Interest	-	-	15	-
(Gain) loss on disposal of capital assets	206	-	263	(1)
Total nonoperating expenses	<u>206</u>	<u>-</u>	<u>278</u>	<u>(1)</u>
Income (loss) before contributions and transfers	(215)	192	1,545	8,225
Capital contributions	-	-	475	-
Transfers in	-	-	731	-
Transfers out	(266)	(1)	(3,298)	(19)
CHANGE IN NET ASSETS	<u>(481)</u>	<u>191</u>	<u>(547)</u>	<u>8,206</u>
NET ASSETS - JANUARY 1, 2006 (RESTATED)	<u>3,363</u>	<u>916</u>	<u>5,885</u>	<u>30,198</u>
NET ASSETS - DECEMBER 31, 2006	<u>\$ 2,882</u>	<u>\$ 1,107</u>	<u>\$ 5,338</u>	<u>\$ 38,404</u>

(a) See Note 15, "Restrictions, Reserves, Designations, and Changes in Equity" – Restatements of Beginning Balances.

KING COUNTY, WASHINGTON

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN THOUSANDS)
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KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	WASTEWATER EQUIPMENT RENTAL
\$ -	\$ 2,320	\$ -	\$ 5,153	\$ -	\$ 282
-	(2,092)	-	(4,469)	-	(265)
-	228	-	684	-	17
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,689	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,909	-	6,314	-	1,814
-	-	-	152	-	-
-	40	-	265	-	-
-	-	3,511	-	-	-
-	-	-	-	37,023	-
-	94	-	53	36	5
3,689	8,271	3,511	7,468	37,059	1,836
2,869	1,493	1,454	2,198	2,371	195
48	3,334	513	2,945	39	298
124	145	1,039	249	23,501	25
104	404	699	248	95	39
283	852	554	1,434	1,759	198
49	3,171	20	2,305	3	751
3,477	9,399	4,279	9,379	27,768	1,506
212	(1,128)	(768)	(1,911)	9,291	330
-	150	(30)	452	720	193
-	150	(30)	452	720	193
-	-	-	-	-	-
-	(150)	(1)	(716)	-	(95)
-	(150)	(1)	(716)	-	(95)
212	(828)	(797)	(743)	10,011	618
-	97	-	106	-	-
-	405	-	-	-	-
(4)	(226)	(6)	(142)	(17)	(303)
208	(552)	(803)	(779)	9,994	315
(7)	18,076 ^(a)	(575)	19,477 ^(a)	(44,275)	7,966 ^(a)
\$ 201	\$ 17,524	\$ (1,378)	\$ 18,698	\$ (34,281)	\$ 8,281

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN THOUSANDS)
(PAGE 1 OF 3)

	TOTAL	CONSTRUCTION & FACILITIES MANAGEMENT	DES EQUIPMENT REPLACEMENT	EMPLOYEE BENEFITS PROGRAM
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from users	\$ 343,705	\$ 36,772	\$ 11	\$ 163,736
Cash payments to suppliers for goods and services	(260,284)	(13,936)	(112)	(164,627)
Cash payments for employee services	(70,038)	(22,145)	(11)	(1,707)
Other operating revenues	1,046	18	102	2
Net cash provided (used) by operating activities	14,429	709	(10)	(2,596)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loan principal	708	-	-	-
Transfers in	1,984	398	450	-
Transfers out	(4,146)	(145)	-	(12)
Net cash provided (used) by noncapital financing activities	(1,454)	253	450	(12)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of assets	(10,575)	(166)	(338)	(1,890)
Principal paid on general obligation bonds	(1,200)	(155)	-	-
Interest paid on general obligation bonds	(75)	(37)	-	-
Principal paid on assessment	(15)	(15)	-	-
Interest paid on assessment	(7)	(7)	-	-
Proceeds from disposal of capital assets	1,389	-	(1)	-
Net cash used by capital and related financing activities	(10,483)	(380)	(339)	(1,890)
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in allocation of pooled reverse repurchase agreement	(7,214)	-	-	(2,298)
Interest on investments (including unrealized gains/losses reported as cash and cash equivalents)	7,327	269	32	1,124
Proceeds from sales of investments	111	-	-	-
Net cash provided (used) by investing activities	224	269	32	(1,174)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,716	851	133	(5,672)
CASH AND CASH EQUIVALENTS - JANUARY 1, 2006	165,476	2,537	479	29,711
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2006	<u>\$ 168,192</u>	<u>\$ 3,388</u>	<u>\$ 612</u>	<u>\$ 24,039</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	<u>\$ 7,839</u>	<u>\$ 225</u>	<u>\$ (396)</u>	<u>\$ (3,829)</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Depreciation	8,682	230	408	10
Employer paid benefits	-	-	-	-
Change in assets - (increase) decrease				
Accounts receivable, net	112	47	-	63
Due from other funds	(4,490)	35	11	-
Due from other governments, net	(251)	-	-	-
Inventory of supplies	287	219	-	-
Prepayments	(5,553)	-	-	-
Change in liabilities - increase (decrease)				
Accounts payable	2,880	(338)	(33)	417
Estimated claim settlements	2,382	-	-	382
Due to other funds	871	(21)	-	(85)
Wages payable	177	120	-	(21)
Taxes payable	(1)	-	-	-
Custodial accounts	27	-	-	27
Unearned revenues	398	-	-	413
Compensated absences	1,069	192	-	27
Total adjustments	6,590	484	386	1,233
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 14,429</u>	<u>\$ 709</u>	<u>\$ (10)</u>	<u>\$ (2,596)</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets from government	\$ 1,296	\$ 93	\$ 525	\$ -

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
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FINANCIAL MANAGEMENT SERVICES	OFFICE OF INFORMATION RESOURCE MANAGEMENT OPERATING	INFORMATION & TELECOM- MUNICATIONS SERVICES	INSURANCE	KING COUNTY GEOGRAPHIC INFORMATION SYSTEMS	MOTOR POOL EQUIPMENT RENTAL
\$ 26,672	\$ 1,613	\$ 27,688	\$ 22,752	\$ 3,684	\$ 8,501
(10,173)	(599)	(8,172)	(22,368)	(555)	(6,650)
(17,834)	(1,119)	(15,062)	(1,773)	(2,828)	(315)
92	-	140	504	-	94
<u>(1,243)</u>	<u>(105)</u>	<u>4,594</u>	<u>(885)</u>	<u>301</u>	<u>1,630</u>
-	-	-	-	-	-
-	-	731	-	-	405
<u>(177)</u>	<u>(1)</u>	<u>(3,134)</u>	<u>(15)</u>	<u>(4)</u>	<u>(226)</u>
<u>(177)</u>	<u>(1)</u>	<u>(2,403)</u>	<u>(15)</u>	<u>(4)</u>	<u>179</u>
(112)	(1)	(374)	(1)	(68)	(4,820)
-	-	(1,045)	-	-	-
-	-	(38)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	377
<u>(112)</u>	<u>(1)</u>	<u>(1,457)</u>	<u>(1)</u>	<u>(68)</u>	<u>(4,443)</u>
-	-	-	(5,901)	-	-
508	63	-	3,846	-	150
-	-	-	-	-	-
<u>508</u>	<u>63</u>	<u>-</u>	<u>(2,055)</u>	<u>-</u>	<u>150</u>
(1,024)	(44)	734	(2,956)	229	(2,484)
5,818	1,393	7,048	86,534	253	5,892
<u>\$ 4,794</u>	<u>\$ 1,349</u>	<u>\$ 7,782</u>	<u>\$ 83,578</u>	<u>\$ 482</u>	<u>\$ 3,408</u>
<u>\$ (517)</u>	<u>\$ 129</u>	<u>\$ 1,823</u>	<u>\$ 4,378</u>	<u>\$ 212</u>	<u>\$ (1,128)</u>
454	12	1,268	1	49	3,171
-	-	-	-	-	1,177
-	-	12	-	(1)	-
(635)	(160)	259	16	(4)	(1,768)
(288)	-	21	-	-	-
-	-	-	-	-	(20)
-	-	-	(5,553)	-	-
19	10	1,262	1,300	(5)	218
-	-	-	(901)	-	-
(460)	(147)	(497)	(164)	10	(21)
(3)	13	37	11	11	(5)
-	-	(1)	-	(1)	-
-	-	-	-	-	-
(15)	-	-	-	-	-
202	38	410	27	30	6
<u>(726)</u>	<u>(234)</u>	<u>2,771</u>	<u>(5,263)</u>	<u>89</u>	<u>2,758</u>
<u>\$ (1,243)</u>	<u>\$ (105)</u>	<u>\$ 4,594</u>	<u>\$ (885)</u>	<u>\$ 301</u>	<u>\$ 1,630</u>
\$ -	\$ -	\$ 475	\$ -	\$ -	\$ 97

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
(IN THOUSANDS)
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	PRINTING/ GRAPHIC ARTS SERVICES	PUBLIC WORKS EQUIPMENT RENTAL	SAFETY & WORKERS' COMPENSATION	WASTEWATER EQUIPMENT RENTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from users	\$ 3,523	\$ 11,748	\$ 35,487	\$ 1,518
Cash payments to suppliers for goods and services	(2,725)	(6,994)	(22,516)	(857)
Cash payments for employee services	(1,440)	(3,710)	(2,318)	224
Other operating revenues	-	53	36	5
Net cash provided (used) by operating activities	(642)	1,097	10,689	890
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loan principal	708	-	-	-
Transfers in	-	-	-	-
Transfers out	(2)	(140)	(17)	(273)
Net cash provided (used) by noncapital financing activities	706	(140)	(17)	(273)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of assets	(35)	(1,902)	(17)	(851)
Principal paid on general obligation bonds	-	-	-	-
Interest paid on general obligation bonds	-	-	-	-
Principal paid on assessment	-	-	-	-
Interest paid on assessment	-	-	-	-
Proceeds from disposal of capital assets	1	914	-	98
Net cash used by capital and related financing activities	(34)	(988)	(17)	(753)
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in allocation of pooled reverse repurchase agreement	-	-	985	-
Interest on investments (Including unrealized gains/losses reported as cash and cash equivalents)	(30)	452	720	193
Proceeds from sales of investments	-	-	111	-
Net cash provided (used) by investing activities	(30)	452	1,816	193
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	-	421	12,471	57
CASH AND CASH EQUIVALENTS - JANUARY 1, 2006	-	10,298	11,335	4,178
CASH AND CASH EQUIVALENTS - DECEMBER 31, 2006	\$ -	\$ 10,719	\$ 23,806	\$ 4,235
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (768)	\$ (1,911)	\$ 9,291	\$ 330
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Depreciation	20	2,305	3	751
Employer paid benefits	-	(1,596)	-	419
Change in assets - (increase) decrease				
Accounts receivable, net	-	-	(9)	-
Due from other funds	(3)	(136)	(1,527)	(578)
Due from other governments, net	16	-	-	-
Inventory of supplies	-	91	-	(3)
Prepayments	-	-	-	-
Change in liabilities - increase (decrease)				
Accounts payable	150	(71)	(25)	(24)
Estimated claim settlements	-	-	2,901	-
Due to other funds	(72)	2,331	2	(5)
Wages payable	(3)	17	-	-
Taxes payable	1	-	-	-
Custodial accounts	-	-	-	-
Unearned revenues	-	-	-	-
Compensated absences	17	67	53	-
Total adjustments	126	3,008	1,398	560
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (642)	\$ 1,097	\$ 10,689	\$ 890
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Contributions of capital assets from government	\$ -	\$ 106	\$ -	\$ -